



## TALKING POINTS: Motion to Recommit on Minimum Wage Bill

**OUR PRINCIPLE:** *We believe government should help those who make the minimum wage and those who pay for it.*

*The Democrat bill to raise the minimum wage is an unbalanced plan that constitutes a multi-billion dollar unfunded mandate on small business owners and local governments.*

*After being shut out from offering a balanced minimum wage bill, Republicans today will offer a second Motion to Recommit in the form of a Republican alternative – the WAGE Act of 2007 – which raises the minimum wage while offering small businesses tax relief as well as incentives to invest in health coverage for their workers.*

**Democrats who oppose the Republican motion are casting an anti-small business vote and are neglecting the pressing need for more affordable health care.** The WAGE Act of 2007 is a balanced plan that increases the minimum wage to \$7.25 an hour while protecting the small business owners who create jobs. The Republican proposal will encourage small businesses to offer health coverage to their workers, an important step forward to reduce the ranks of the uninsured.

- Under the WAGE Act, employers that invest at least \$2,500 a year for an employee's health or child-care benefits will be subject to paying a \$6.25 hourly rate.
- If Democrats had chosen to put HR 2 through committee, the bill could have incorporated some of the WAGE Act's much-needed health and child care benefits.

**Republicans passed a minimum wage increase over the objection of House Democrats.** Republicans passed bipartisan legislation to increase the minimum wage in the 109<sup>th</sup> Congress. The wage-raising bill passed by Republicans also extended the R&D tax credit for innovating firms and reduced death taxes for family farms and small businesses that create jobs.

**The unbalanced Democrat plan could increase unemployment.** Independent studies confirm that the unbalanced Democrat proposal to raise the minimum wage, without incorporating relief for small businesses, could have a negative impact on our workforce.

- 20 percent (1.6 million) of the nation's minimum wage workforce could lose their jobs under the unbalanced Democrat plan. (*Hoover Institution, House Budget Committee*)
- As many as one million restaurant industry employees working for low pay could lose their jobs. (*Federal Reserve, House Budget Committee*)
- A 10% increase in the minimum wage leads to roughly a 2% job loss among entry-level workers. (*Heritage Foundation*)